

LAING INVESTMENTS MANAGEMENT SERVICES (EUROPE) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010



Registered Number 4367941

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

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DIRECTORS AND ADVISORS

Directors

A Charlesworth

(resigned 24 September 2010)

A F Harmer

(appointed 24 September 2010)

G S Lucas

D Potts

(resigned 05 March 2010)

J E Webb

Company secretary and registered office

R K Miller

Allington House

150 Victoria Street

London

SW1E 5LB

Auditors

Deloitte LLP

Chartered Accountants

London

Principal bankers

Natwest

Brecon Branch

27 High Street

Brecon, Powys

LD3 7LF

Solicitors

CMS Cameron McKenna LLP

Mitre House

160 Aldersgate Street

London

EC1A 4DD

DIRECTORS' REPORT

The Directors submit their Annual Report and the audited financial statements for the year ended 31 December 2010

The Directors' report has been prepared in accordance with the special provisions relating to small companies under section 417 of the Companies Act 2006

The Company is a wholly owned subsidiary of John Laing Investments Limited, which in turn is a wholly owned subsidiary of John Laing plc

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The principal activity of the Company was to provide management services to the John Laing plc group including conducting the groups bidding activity in the Czech Republic and Eastern Europe. However the Company has had little activity during 2010

The Company has ceased its principal business activity and hence has ceased to trade therefore the accounts have been prepared on a basis other than going concern

The Directors intend on winding up the Company in 2011 therefore the accounts been prepared on a basis other than a going concern. More information is provided in note 1 in financial statement

RESULTS AND DIVIDENDS

The profit for the year before taxation amounted to £55,154 (2009 - loss £448,142). After a group relief of £12,204 (2009 - £108,309), the profit for the year was £67,358 (2009 - loss £339,833)

The Directors do not recommend the payment of a dividend (2009 - £nil)

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who is a Director at the date of approval of this report confirms that

- as far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself / herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provision of section 418 of the Companies Act 2006

DIRECTORS

The Directors who served throughout the year, except as noted, are shown on page 1

EMPLOYEES

Details of the number of employees and related costs can be found in note 4 to the financial statements on page 8

AUDITORS

Pursuant to section 386 Companies Act 1985, an elective resolution was passed on 17 August 2006 dispensing with the requirement to appoint auditors annually. This election was in force immediately before 1 October 2007. Therefore, Deloitte LLP are deemed to continue as auditors

On behalf of the Board



A F Harmer
Director
Tuesday, April 05, 2011

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LAING INVESTMENTS MANAGEMENT SERVICES (EUROPE) LIMITED

We have audited the financial statements of Laing Investments Management Services (Europe) Limited for the year ended 31 December 2010 which comprise the profit and loss account, the balance sheet and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Emphasis of matter - financial statements prepared on a basis other than on a going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the Directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report.



Ross Howard (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom
07 April 2011

LAING INVESTMENTS MANAGEMENT SERVICES (EUROPE) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 £	2009 £
Administrative expenses		55,153	(395,962)
Operating profit / (loss)	2	55,153	(395,962)
Net interest receivable / (payable)	5	1	(52,180)
Profit / (loss) on ordinary activities before taxation		55,154	(448,142)
Tax on profit / (loss) on ordinary activities	6	12,204	108,309
Profit / (loss) for the financial year	10	67,358	(339,833)

A reconciliation of movements in shareholder's deficit is given in note 11

All items in the profit and loss account relate to discontinued operations

There is no material difference between the results stated in the profit and loss account and their historical cost equivalents


All gains and losses are recognised in the profit and loss account in both the current and preceding year, and therefore no separate statement of total recognised gains and losses has been presented

LAING INVESTMENTS MANAGEMENT SERVICES (EUROPE) LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2010

	Notes	2010 £	2009 £
Current assets			
Debtors		12,487	108,670
- due within one year	7	12,487	108,387
- due after more than one year	7	-	283
Cash at bank and in hand		50,669	68,914
		<u>63,156</u>	<u>177,584</u>
Current liabilities			
Creditors amounts falling due within one year	8	(1,932,853)	(2,114,639)
Net current liabilities		<u>(1,869,697)</u>	<u>(1,937,055)</u>
Total assets less current liabilities		<u>(1,869,697)</u>	<u>(1,937,055)</u>
Net liabilities		<u>(1,869,697)</u>	<u>(1,937,055)</u>
Capital and reserves			
Called up share capital	9	2	2
Profit and loss account	10	(1,869,699)	(1,937,057)
Shareholder's deficit	11	<u>(1,869,697)</u>	<u>(1,937,055)</u>

The financial statements of Laing Investments Management Services (Europe) Limited, registered number 4367941, were approved by the Board of Directors and authorised for issue on 31 March 2011. They were signed on its behalf by



A F Harmer
Director
Tuesday, April 05, 2011

Notes to the financial statements for the year ended 31 December 2010

1 ACCOUNTING POLICIES

a) Basis of preparation of accounts

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards. A summary of the principal accounting policies adopted by the Directors, which have been applied consistently throughout the current and preceding year, is shown below.

The Company is a wholly owned subsidiary undertaking of John Laing plc and as such is exempt under FRS1 (revised 1996) from the requirement to prepare its own cash flow statement.

The Company has net current liabilities as at 31 December 2010 which creates an uncertainty over the use of the going concern basis in the preparation of the financial statements. However, as explained in the Director's Report, the Company has ceased to trade and it is the Directors' intention to wind up the Company in 2011. The financial statements have been prepared on a basis other than that of a going concern. This basis will not impact the measurement of assets as none of the assets require revaluing. The financial statements do not include any provision for the future costs of terminating the business of the Company.

b) Taxation

Current tax, including United Kingdom Corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

In accordance with FRS19 'Deferred Tax', deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the period in which the timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are not discounted.

Since the Company intends to wind up in 2011, the decision has been made not to charge interest on the outstanding intercompany loan, therefore there will be no group relief on intercompany loan.

c) PFI Bid Costs

PFI bid costs are charged to the profit and loss account.

The recovery of bid costs from project companies is recognised in the period of the financial close.

d) Foreign Currencies

Transactions in foreign currencies are recorded at the date of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. All exchange differences are included in the profit and loss account.

LAING INVESTMENTS MANAGEMENT SERVICES (EUROPE) LIMITED

Notes to the financial statements for the year ended 31 December 2010 (continued)

2 OPERATING PROFIT / (LOSS)

	2010	2009
	£	£
Operating profit / (loss) is stated after charging		
Fees payable to the Company's auditors for the audit of the Company' annual accounts	2,050	2,000
Foreign exchange	(56,626)	(239,852)

3 DIRECTORS' REMUNERATION

No Directors received any remuneration for services to the Company during the current or prior year

4 STAFF NUMBERS

The average number of persons employed by the Company during the year, was as follows

	2010	2009
	No	No
	-	2

The aggregate payroll costs of these persons were as follows.

	2010	2009
	£	£
Salaries	-	266,287
Social security costs	-	33,982
	-	300,269

5 NET INTEREST RECEIVABLE / (PAYABLE)

	2010	2009
	£	£
Interest receivable and similar income		
Interest receivable on bank deposits	1	28
	1	28
Interest payable and similar charges		
Interest payable to group undertakings	-	(52,208)
	-	(52,208)
Net interest receivable / (payable)	1	(52,180)

6 TAX ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES

	2010	2009
	£	£
<u>Analysis of tax credit for the year</u>		
Current tax		
Group relief (payable) / receivable	(15,443)	78,346
Adjustments in respect of previous periods	27,930	29,777
Total current tax	12,487	108,123
Deferred tax		
Origination and reversal of timing differences	(283)	186
Total deferred tax	(283)	186
Total tax credit on profit / (loss) on ordinary activities	12,204	108,309

Notes to the financial statements for the year ended 31 December 2010 (continued)

6 TAX ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES (continued)

Factors affecting tax credit for the current year

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax are as follows

	2010 £	2009 £
Profit / (loss) on ordinary activities before taxation	<u>55,154</u>	<u>(448,142)</u>
Profit / (loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	(15,443)	125,480
Effects of		
Expenses not deductible for tax purposes	-	(46,846)
Adjustments in respect of previous years	27,930	29,777
Accelerated capital allowances	-	(288)
Total current tax credit for the year	<u>12,487</u>	<u>108,123</u>

7 DEBTORS

	2010 £	2009 £
Due within one year		
Amounts owed from group undertakings	12,487	108,123
Other taxation and social security	-	264
	<u>12,487</u>	<u>108,387</u>
Due after more than one year		
Deferred tax	-	283
	<u>-</u>	<u>283</u>

The amount owed by group undertakings in the current and prior year is repayable in line with repayments schedules. Interest is charged at agreed arms length interest rates.

8 CREDITORS

	2010 £	2009 £
Amounts falling due within one year		
Amounts owed to group undertakings	1,919,338	2,078,583
Accruals and deferred income	13,515	36,056
	<u>1,932,853</u>	<u>2,114,639</u>

The amount owed to group undertakings on the current and prior year is repayable on demand. Interest is charged on the loan at 1% above bank base rate.

Notes to the financial statements for the year ended 31 December 2010 (continued)

9 CALLED UP SHARE CAPITAL

	2010	2009
	£	£
Allotted, called up and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

10 MOVEMENT IN RESERVES

	Profit and loss account
	£
At 1 January 2010	(1,937,057)
Profit for the financial year	67,358
At 31 December 2010	<u>(1,869,699)</u>

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S DEFICIT

	2010	2009
	£	£
Profit / (loss) for the financial year	<u>67,358</u>	<u>(339,833)</u>
Net reduction in / (addition to) shareholder's deficit	<u>67,358</u>	<u>(339,833)</u>
Opening shareholder's deficit	<u>(1,937,055)</u>	<u>(1,597,222)</u>
Closing shareholder's deficit	<u>(1,869,697)</u>	<u>(1,937,055)</u>

12 TRANSACTIONS WITH RELATED PARTIES

As a wholly owned subsidiary of John Laing plc, the Company has taken advantage of the exemption under Financial Reporting Standard 8 not to provide information on related party transactions with other undertakings within the John Laing plc group. Note 13 gives details of how to obtain a copy of the published financial statements of John Laing plc.

13 ULTIMATE PARENT UNDERTAKING

The Company's immediate parent company is John Laing Investments Limited, a company incorporated in Great Britain.

The smallest group in which its results are consolidated is John Laing plc, a company incorporated in Great Britain and registered in England and Wales. The largest group in which its results are consolidated is Henderson Infrastructure Holdco (Jersey) Limited, a company incorporated in Jersey, Channel Islands and registered in Jersey, Channel Islands. Copies of the consolidated accounts of John Laing plc are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

The Company's ultimate parent and controlling entity is Henderson Infrastructure Holdco (Jersey) Limited, a company incorporated in Jersey, Channel Islands.